

Passport Office performance targets 1996-97

| Turnaround Target | 1996-97 Forecast | 1996-97 Actual | 1997-98 Forecast |
|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Applications received by mail | 97% in 10 days 100% in 17 days | 88% in 10 days 100% in 17 days | 97% in 10 days 100% in 17 days |
| Applications received in person | 97% in 5 days 100% in 7 days | 97% in 5 days 100% in 7 days | 97% in 5 days 100% in 7 days |

Productivity Target*

| | 1996-97 Forecast | 1996-97 Actual | 1997-98 Forecast |
|---------------------------|------------------|----------------|------------------|
| All employees | 2,630 | 2,639 | 2,423 |
| Production employees only | 3,445 | 3,359 | 3,221* |

*Productivity is expected to initially decrease during the pilots and rollout stages of the new information archiving and retrieval system.

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of international air travel in 1996-97, there was a strong decrease in demand for passports. This decrease is thought to be mainly for "just-in-case" passports which are more price sensitive than "passports-for-imminent-travel." The addition of the consular services fee caused an increase of over 70 percent in fees to the client. As a result, client behaviour changed. They delayed renewing passports until they were needed for travel purposes and more parents included children on their own passports to avoid paying the fees for each child.

Of the travel documents issued, over 95 percent were issued in Canada. Mailed-in applications account for approximately 16 percent of all issued.

Productivity

Historically, the productivity rate has been an important efficiency indicator within the Passport Office. Senior management uses productivity targets to allocate resources, monitor efficiency and develop short-term and long-term objectives.

The productivity rate is defined as the number of travel documents issued per person-year. There are two variations: the first takes into account all Passport Office employees and the second includes operational employees only.

The productivity rate is influenced by the seasonal fluctuations in demand for passports. As most travel occurs in the last quarter of the fiscal year, more staff are required at that time to process applications.

The unexpected decrease in demand yielded slightly lower productivity. The Passport Office has a certain degree of flexibility in the workforce that allowed us to maintain a fairly consistent productivity given the fluctuations in demand for the passport as well as for seasonal variations in demand.

Revenue

As a Special Operating Agency operating under the authority of a revolving fund, the Passport Office finances its operations entirely from revenues generated by fees received for travel documents. Passport Office must break even over a four-year cycle. In 1996-97, revenue reached \$48.8 million, a decrease of \$4.3 million (8.96 percent) from last year.

Expenditures

As a result of the decrease in volume and revenue, the Executive Committee took action to prevent a cash deficit. Deficit reduction measures were adopted that set priorities and parameters for spending including a freeze on projects that were not considered mission critical. These actions along with a decrease in inventory and the deferral of the TEP pilots, resulted in a cash surplus. Total expenditures for the year were \$42.4 million, \$6.4 million lower than revenues for the year. The expenditures decreased \$1.7 million (3.9 percent) from 1995-96. This resulted in a \$2.369 million cash surplus or a \$6.34 million surplus on an accrual basis.